

How Koch cash is bankrolling the effort to kill Big Tech reform

Mike Luz

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In the past couple of months, Americans have suffered disastrous consequences from deregulation initiated during the Trump administration: in transit, the East Palestine derailment threatening the lives and livelihoods of thousands; in banking, the collapse of Silicon Valley Bank and Signature Bank that are still roiling financial markets.

The good news is that despite the overall deregulatory bent of the last administration, the Biden administration has been strengthening antitrust enforcement, plus there have been bipartisan efforts, led in the House by David Cicilline (D-RI) and Ken Buck (R-CO), to strengthen antitrust protections and curb the growing power of Big Tech.

Those bipartisan efforts were stymied thanks to intense lobbying from libertarian-leaning tech companies, think tanks, and advocates, with Big Money funding from the donor network of libertarian oil billionaire Charles Koch, whose influence over antitrust legislation goes back decades. As the new GOP-helmed Congress contemplates reforms, it's already clear that party leaders like Jim

Jordan (R-OH) and libertarian Thomas Massie (R-KY)—who are recipients of Koch cash themselves—are planning to do Big Tech’s bidding and delay or kill regulation and let the companies continue accumulating market power.

From privacy concerns around consumer data to predatory pricing locking out small businesses to the flood of disinformation on social media, Americans have become aware of how much market concentration the big four technology companies have achieved. Americans of all political parties agree that Big Tech companies like Apple, Amazon, Facebook, and Google have too much power and need to be reined in. President Biden has made promoting competition and ending monopolies a cornerstone of his economic agenda, but he can only do so much facing Republican obstructionism in the House. While congressional action has stalled, the Department of Justice and Federal Trade Commission are working to fully enforce existing antitrust laws.

The tech companies, think tanks, advocates, and Koch network continue to fight these efforts. A far-right founder of the notoriously obstructionist House Freedom Caucus, Jim Jordan is now chair of the powerful Judiciary Committee which oversees antitrust policy. In January, he named Thomas Massie as chairman of the Antitrust Subcommittee, ignoring precedent and bypassing the more senior Ken Buck, whom many had presumed would lead it. Jordan’s move was not unexpected though, as he opposed Buck’s antitrust regulatory approach in favor of a more libertarian one.

Jim Jordan’s ties to the Koch brothers date back to at least 2008, when he became the first member of Congress to sign onto the No Climate Tax pledge, an initiative of the Koch advocacy group Americans for Prosperity. Koch Industries PAC has donated \$60k to Jordan since 2011—the maximum allowed for each of the last six elections—and he has been a featured speaker for at least one of the secretive Koch donor retreats.

Thomas Massie has been a recipient of Koch cash since he assumed office in 2012. Like Charles Koch, Massie earned both his bachelor’s and master’s

degrees from the prestigious Massachusetts Institute of Technology, and also like Koch, Massie is an avowed champion of deregulation, having sponsored bills to abolish both the Department of Education and the Environmental Protection Agency.

A recent, fawning profile by the *New York Times* claims that “Mr. Massie’s politics are very much at odds with the interests of the Republican Party’s traditional donor class and leadership” and notes his “resistance to the influence wielded by corporations and interest groups over our policymaking”—without noting the funding from Koch (a long-time member of the traditional GOP donor class) or the *high scores* Massie has received for his legislative votes from Americans for Prosperity.

While Charles Koch is most commonly known for his oil interests, he also has a large stake in Silicon Valley—his son Chase runs the venture capital arm, Koch Disruptive Technologies, launched in 2017, the same year his political groups began partnering with Big Tech on public policy fights in D.C.

Though Massie is hailed as an anti-establishment contrarian by *The New York Times* author, his voting record advances the agenda of a libertarian oil and tech billionaire whose primary concerns are juicing corporate profits and deregulating industries his companies already dominate.

But it’s easy to see why Massie would want to cultivate an anti-establishment, anti-corporate image: it’s popular with the electorate. GOP voters overwhelmingly support antitrust regulation. *In a 2022 poll*, 73% of Republican voters said that Big Tech companies are not regulated enough, and 85% of them agree that Big Tech companies have become too powerful, are destroying competition, and are abusing consumers through monopoly behavior.

These popular antitrust policy ideas supported by Republican voters are met with lip service from Republican leaders. Look instead at their actions. Jim Jordan’s public rebuke of Ken Buck’s antitrust work in the last Congress, and

naming instead Thomas Massie to lead antitrust policy negotiations, are clear signals that Jordan intends to stall congressional reforms in the tech industry as long as the Republicans hold their House majority.

When the next big disaster unfolds due to deregulation, don't be fooled. Republicans are deflecting blame by attacking the Biden administration as insufficiently populist, but the seeds of the East Palestine train derailment and Silicon Valley Bank bailout were sown under the Trump deregulatory regime and more broadly by the anti-government ethos of the GOP and its Big Money donors.

The facts: A deeper dive

1. Actions on Antitrust Reform

- In his 2021 [Executive Order on Promoting Competition in the American Economy](#), President Biden made it an administration priority to protect consumers and workers from Big Tech monopoly behavior.
- Biden's DOJ Antitrust Division head [Jonathan Kanter](#) said that U.S. antitrust enforcers are "turning the page on a failed experiment," i.e., more than 50 years of hands-off policy on mergers.
- Kanter's [more aggressive policy approach](#) has led to [major changes at the division](#): the highest litigation rate in decades, review of more than 3,500 merger transactions, 20 antitrust indictments, 150 grand jury investigations, and six civil enforcement cases in the courts, including a high-profile case against Google.
- The Federal Trade Commission has also stepped up enforcement under Chair Lina Khan. They've taken action against privacy violations by [Facebook and Google](#), enforced data security laws that bind companies like [Twitter](#), and reined in [credit rating](#) and reporting companies. And their [proposed rule to ban noncompete](#)

[agreements](#) will increase wages across the economy by an estimated \$300 billion a year.

- Congressional committee members, including both the Democratic caucus and Republican members like Ken Buck (R-CO), have been vocal in their support of stronger antitrust action. Multiple bills have been introduced in Congress with bipartisan support, including the [American Innovation and Choice Online Act](#) and the [Open App Markets Act](#).

2. Koch Cash

To Think Tanks and Advocacy Groups:

- Per [Politico](#), “The Kochs have spent decades funneling millions of dollars into free-market, libertarian and pro-tech groups across Washington to protect the tech industry from regulatory scrutiny. Groups advocating against the tech antitrust legislation received over \$1.5 million altogether in 2019 alone from the Koch Foundation, [according to the foundation’s financial records](#).”
- Koch-funded groups including Americans for Prosperity, the American Enterprise Institute, the Competitive Enterprise Institute, the Taxpayers Protection Alliance, the Open Competition Center, TechFreedom, and the Information Technology and Innovation Foundation opposed the 2021 bipartisan antitrust legislation.
- Charles Koch’s foundations have donated a minimum of [\\$179 million](#) since 2005 to Northern Virginia’s influential George Mason University. Koch has been the biggest single funder of GMU’s law school and its think tank, the Mercatus Center. And over just three years, Big Tech gave [more than \\$2 million](#) to GMU, including \$900,000 from Google, \$925,000 from Amazon, and \$675,000 from Facebook.
- GMU’s law school — renamed for Antonin Scalia [in conjunction with a \\$10 million Koch donation](#) — and the Mercatus Center churn out articles and papers criticizing anti-monopoly regulation, including many

that explicitly advocate for [protecting Big Tech](#). In 2021, when antitrust bills were under consideration in Congress, Mercatus aggressively ramped up its academic defense of monopoly behavior ([1](#), [2](#), [3](#)), helping to keep important legislation bottled up in committee.

- GMU invites judges to [lavish resorts](#) for antitrust educational summits where they [advocate for weaker regulation](#), and [research has shown](#) that judges become more likely to approve mergers after they attend them. In planning their events and public statements about antitrust and competition, GMU [coordinates with Google](#); Google executives speak at GMU conferences and Google lawyers teach GMU seminars.
- The Charles Koch Institute and Foundation began partnering with the tech industry on public policy fights in 2017, per [Politico](#).

To Jordan and Massie:

- Jordan and his staff have received thousands of dollars in donations and gifts from tech companies, Koch, and Koch-aligned organizations. [Koch Industries PAC](#) gave \$60,000, and [Google](#) gave [\\$10,000](#), to Jordan's Congressional campaigns. Communications and electronics industry PACs have given Jordan [more than \\$300,000](#) in contributions since 2006. And [the Heritage Foundation](#) has [gifted 55 trips](#) over a 12-year period to Jordan and his staff, after accepting [almost \\$2 million](#) from Google and Facebook through 2020.
- In [2008](#), Jordan became the first member of Congress to sign on to AFP's No Climate Tax pledge.
- Jordan spoke at the 2014 Koch network summer [donor retreat](#).
- According to FEC data, Massie has received \$21k from the Koch Industries PAC since 2014.
- Massie is heavily funded by pro-Big Tech forces. His largest all-time donor is the Club for Growth, a vocal opponent of anti-monopoly policy, which along with its members [has funneled nearly \\$200,000](#) to his campaign since 2011. His top donors – Chris Rufer, Jeff Yass, Robert

Arnott, and their companies, who have given him more than \$100k — are all tied to Koch. **Rufer has said** he gives more than \$500k a year to Koch-aligned organizations. **Yass is on the board** of the Koch-founded Cato Institute think tank. And over the past four years, **Arnott has given at least \$165,000** to the Kochs' Americans for Prosperity Action Fund.

- Over his career, Massie has voted in support of the Koch agenda 94% of the time — **by Americans for Prosperity's own calculation** — and has a perfect 100% record in the 118th Congress.

Koch Disruptive Technologies:

- Koch launches venture capital group in late 2017, **per Axios**.
- KDT invested over \$900 million in two and a half years, **per Yahoo**

3. GOP House Obstruction on Big Tech Antitrust Reform

- As chair of the House Judiciary Committee, Jordan gets to appoint subcommittee chairs, including the chair of the Antitrust Subcommittee. He broke with **decades of precedent** by passing over Ken Buck — the ranking member in line for leadership, who has been working systematically for years to build bipartisan consensus around antitrust reform — and **naming Thomas Massie as chair**.
- Jordan's sidelining of Buck surprised some outside observers, who saw it as a signal that Big Tech money is swaying Congress against regulation. Mike Davis, a Republican advocate for antitrust enforcement against the big internet companies (and **former chief counsel** for nominations in the Senate), called it "truly shameful." Jon Schweppes, director of policy for the American Principles Project, **said** this appointment indicates that "the House is ... on lockdown for the companies right now."
- An independent thinker, Buck has been serving continuously on the Judiciary Committee since 2015. **As he puts it**: "In my view, you need

antitrust enforcement, you need Section 230 reform, and you need to look at the privacy laws. And a lot has been written about all three and the impact that all three would have in this area. To take antitrust off the table is a mistake.”

- As Conn Carroll notes in the [Washington Examiner](#), if Buck had been given the role of chair, he would have advanced multiple bills, all of which already have bipartisan support: the Open App Markets Act, to prevent tech companies from operating closed marketplaces; the Competition and Transparency in Digital Advertising Act, to open competition in that market; and the Journalism Competition and Preservation Act, to help media companies negotiate fair advertising deals.

4. Public Support of Big Tech Antitrust Reforms

- [In a recent poll](#), 73% of Republican voters said that Big Tech companies are not regulated enough. 85% of them agree that Big Tech companies have become too powerful; are destroying competition; and abusing consumers through monopoly behavior.
- Jordan claims to be concerned about content bias on Big Tech platforms. But [it is their monopoly power](#) that gives Big Tech companies free rein in the market, as noted by Buck and others who are actually serious about addressing the issue.
- Jordan has flip-flopped on the issue of antitrust. In a 2020 committee memo, he indicated support for antitrust enforcement actions against Google and Facebook filed by the Trump administration. Yet when conservatives including Mike Lee and Tom Cotton sought to fund these actions through [merger filing fees](#), Jordan opposed the legislation.
- Despite claiming to be on board with Big Tech reform, Jordan [expressed highly politicized opposition](#) to a [package of bills](#) with strong bipartisan support, calling them “Democrat bills.” One of the bills Jordan objected to, the American Innovation and Choice Online Act, was co-introduced by Senate Judiciary Committee ranking member

Chuck Grassley (R-IA) and co-sponsored by GOP Sens. Josh Hawley, Lindsey Graham, Cynthia Lummis, and Steve Daines. [As Tom Romanoff writes](#) at the Bipartisan Policy Center, "This ideologically diverse group of Senate co-sponsors indicates the continuing growing momentum on Capitol Hill for this issue."